

FACT.

LAW-BUSINESS GROUP

"The Finnish American Corporate Team"

November 29, 1994

William F. Caton, Secretary Federal Communications Commission 1919 M Street, N.W. -- Room 222 Washington, D.C. 20554

Re:

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Washington Office:

The Capitol Hill Office Building 412 First Street, SE, Suite One Washington, DC 20003 USA Telephone: 1 202 362-6900 Telefax: 1 202 362-9699

Helsinki Office:

Asianajotoimisto / FACT Group Mechelininkatu 15 B 32, 1 krs. FIN - 00100 Helsinki, Finland Telephone: 358 0 445 475 Telefax: 358 0 441 633

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FEDERAL COMMUNICATIONS COMMISSION OFFICE OF SECRETARY

Dear Mr. Caton:

On behalf of NOKIA MOBILE PHONES, INC., enclosed is an original and six copies of its "Comments in Support of the Current Revision of Part 22, Cellular Electronic Serial Number Requirements in Section 22.919".

CC Docket No. 92-115

Sincerely

Tom A. Lippo FACT/Washington

TAL/GRiD Enclosures (6)

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Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

DEC - 8 1994

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of)		
Revision of Part 22 of the Commission's Rules Governing the Public Mobile Services)) 3)))	CC Docket No.	92-115

COMMENTS OF NOKIA MOBILE PHONES, INC.

IN SUPPORT OF THE CURRENT REVISION OF PART 22 CELLULAR ELECTRONIC SERIAL NUMBER REQUIREMENTS IN SECTION 22.919

Nokia Mobile Phones, Inc. ("Nokia"), by and through its undersigned counsel, hereby submits these comments in support of the Commission's current revision of Part 22, Public Mobile Services.

Nokia strongly supports the new Section 22.919 regarding the deterrence of cellular telephone fraud through the strict control of cellular electronic serial numbers (ESN's).

Nokia is engaged in the manufacture and sale of cellular telephone equipment in, among other locations, Fort Worth, Texas and Largo, Florida, as well as in its nationwide distribution. Nokia Mobile Phones, Inc. is a wholly owned subsidiary of the Finnish company Nokia Mobile Phones Oy, currently the second largest manufacturer of cellular telephone equipment in the United States and in the world.

This section reflects the Commission's basic premise that each type of fraudulent activity should be contained by the party best able to control it. Cellular telephone fraud using ESN's can best be controlled by the manufacturers and distributors of cellular telephone equipment.²

In order for cellular telephone manufacturers to curtail cellular telephone fraud, they must maintain control over the computer software used to manipulate ESN's during the activation and service of equipment. As the Commission's August 2, 1994 Report and Order notes, in Paragraph 61:

With respect to the proposal to allow alteration of ESN's by manufacturers' authorized service centers or representatives, we note that computer software to change ESN's, which is intended to be used only by authorized service personnel, might become available to unauthorized persons through privately operated computer "bulletin boards". We have no knowledge that it is now possible to prevent unauthorized use of such software for fraudulent purposes. Accordingly, we decline to make the exception requested...[which would have allowed ESN changes to be made by various persons in the field].

The effect of Paragraph 61 is to require manufacturers to maintain distribution and service systems which concentrate control of ESN computer software; it prohibits manufacturers' from using

Nokia is acutely aware of the problem fraud poses to the cellular telephone industry, partly as a result of its representation at meetings of the CTIA Fraud Task Force to which terminal manufacturers have been invited. This comment to Section 22.919 is offered after due consideration of the possible means by which the security of a cellular telephone terminal's identity might be compromised for fraudulent purposes, and in the interests of encouraging the development of robust and innovative protection schemes by terminal manufacturers.

systems which, as a practical matter, encourage dissemination of ESN software into the field.

The Commission thereby recognizes the unfortunate reality that the control of ESN software is not easy, and it requires the tightest possible control (i.e., one which simply prohibits alteration of the cellular ESN after it has been programmed at the factory).

Cellular telephone equipment manufacturers must be equally willing to face this harsh reality, and not to bow to the pressures of expedient sales and service.

Therefore, Nokia urges the Commission to deny any requests for reconsideration or revisions which might weaken its current order regarding the use of ESN computer software in the field.

November 29, 1994

Respectfully submitted,

Tom A. Lippo, Esq.

Counsel for

Nokia Mobile Phones, Inc.

FACT Law Group 412 First Street, SE Suite One -- Lobby Level Washington, DC 20003

Tel: 202-362-6900 Fax: 202-362-9699

CERTIFICATE OF SERVICE

I, Carroll D. Hauptle, Jr., hereby certify that on this 8th day of December, 1994, true and correct copies of the foregoing Comments of Nokia Mobile Phones, Inc. were served by hand delivery upon the following parties:

William F. Caton, Secretary Federal Communications Commission 1919 "M" Street, N.W. -- Room 222 Washington, D.C. 20554

International Transcript Service 1919 "M" Street N.W. -- Room 246 Washington, D.C. 20554

Carroll D. Hauptle, Jr.